

Alert | Labor & Employment



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July 1, 2019 Deadline Looms for Employers Under Massachusetts Paid Family and Medical Leave Act

The Massachusetts Paid Family and Medical Leave Act (PFML) provides eligible workers with paid medical and family leave benefits effective Jan. 1, 2021. See July 2018 GT Alert [here](#). Specifically, individuals will be entitled to up to 20 weeks of paid medical leave and 12 weeks of paid family leave per year. The maximum amount of combined family and medical leave an individual may take under the PFML is limited to 26 weeks per year. The benefit amount is based on an employee's earnings and is capped at \$850 weekly.

Employer Contribution Obligations

While entitlement to benefits for employees does not begin until 2021, employers are obligated to comply with the funding and notice aspects of the law beginning in 2019. Starting on July 1, 2019, employers are required to determine contribution amounts for their workforces and make employee deductions as applicable. Contributions will be made to the newly created Family and Employment Security Trust Fund to be administered by the state treasurer.

The initial contribution rate under the PFML is 0.63% of eligible payroll. The contribution rate is subject to adjustment on an annual basis. The medical leave contribution represents 0.52% (82.5% of total), and the family leave contribution represents 0.11% (17.5% of total).

The law permits the contribution to be allocated between the employer and its employees as follows: (a) medical leave contribution (employer must contribute minimum of 60%, and employees may be required to contribute up to 40%); (b) family leave contribution (employees may be required to contribute up to 100%).

The contribution allocation provision is discretionary. Employers are not required to shift any contribution obligations to employees but may choose to do so in accordance with the above parameters. So, for example, an employer may decide to not allocate any part of the obligation to its employees, and make 100% of the contribution for both medical and family leave benefits. On the opposite end of the spectrum, an employer may allocate to its employees the maximum amount allowed under the law, in which case the employer would contribute 60% of the medical leave contribution and 0% of the family leave contribution, and the employees would contribute 40% of the medical leave contribution and 100% of the family leave contribution, both by means of payroll deduction.

Employers With Fewer Than 25 Employees

All employers, regardless of the number of employees, must remit contributions to the state on behalf of their employees. However, if a business has fewer than 25 employees in Massachusetts, it does not have to remit the 60% portion of the medical leave contribution. The employer must remit 40% of the medical leave contribution and 100% of the family leave contribution, but both of those amounts may be deducted from employee wages.

Notice Requirements

The PFML contains two notice requirements. First, no later than July 1, 2019, the PFML requires employers to post “in a conspicuous place on each of its premises a workplace notice prepared or approved by the Department [of Family and Medical Leave] providing notice of benefits available under this chapter.”

Second, the PFML requires that employers provide a written notice to each employee setting forth information, including an explanation of benefits, contribution amounts, and legal protections. Under the PFML, new employees are required to receive this notice effective as of July 1, 2019. The Department of Family and Medical Leave has announced that all current employees should receive this notice no later than June 30, 2019. Links to a model workplace poster and employee notice, prepared by the Department of Paid Family and Medical Leave, can be found on the department’s website [here](#).

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